

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-101/Accounting System Development and Maintenance

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I. Goal

The goal of the program is to satisfy the following requirements:

- A. Making changes and modifications in the accounting system (including the design and implementation of an adequate system of internal controls to encompass the changes or modifications in the accounting system) that appear to be in the best interest of the State and counties, as promulgated by Section 40-2 of the Hawaii Revised Statutes (HRS).
- B. Determining the forms required to adequately supply accounting data for the State government, maintaining the applicability, relevancy and uniformity (i.e., classification, numbering and standardization of such forms in terms of design, dimension, color and grade of paper) of accounting forms in Statewide use, and recording such forms in a catalogue of Statewide accounting forms, as promulgated by Section 40-6 of the HRS.
- C. Providing the only cost efficient and feasible means of developing and implementing changes or modifications in the Statewide Accounting System (which includes the Financial Accounting and Management Information System or FAMIS, Payroll System, Central Warrant Writing System, Warrant Reconciliation System, and Time and Attendance System) to enhance or improve the functionality and/or internal controls of the system.

II. Objectives and Policies

- A. Systems Development and Implementation - Develop and implement new Statewide accounting applications and/or major enhancements to existing Statewide accounting applications to correct accounting deficiencies (i.e., non-compliance with Generally Accepted Accounting Principles or GAAP), improve operational efficiency by providing accounting applications with greater functionality or improved capabilities, and comply with changes in applicable State and Federal laws, and management policies.

- B. Systems Maintenance - Maintain existing Statewide accounting applications to improve operational efficiency and/or usability through continued monitoring of the system's performance in providing useful and timely information, and collaboration with users on a Statewide basis to identify, develop and implement system modifications due to changes in applicable State or Federal laws, or management policies that will benefit all system users.
- C. Statewide Accounting Controls - Establish and maintain proper internal control over Statewide accounting functions through the use of Statewide Accounting Manuals to safeguard assets against loss or waste, and provide reasonable assurance that the financial information generated from the Statewide Accounting System can be relied upon to fairly present the financial position of the State for a given accounting period by prescribing the accounting policies of the State and standardizing the accounting methods and practices of the State.

This function also controls the content, format, flow and timing of accounting information required by applications comprising the Statewide Accounting System through the use of Statewide Accounting Forms (SAFORMs). Use of standardized accounting forms promote operational efficiency through maintenance of applicable, uniform and consistent information.

III. Action Plan with Timetable

- A. Objective/Policy #1 - Systems Development and Implementation
 - 1. Required Actions – The following major actions/tasks are usually required to develop and implement all new Statewide accounting applications (custom software is developed only when the purchased software cannot properly satisfy the requirements of the new system, and interfaces are developed only when the new system is required to share data with other systems):
 - a. Project Management of State Resources
 - b. System Scope and Requirements Definition
 - c. Purchased Software Installation, Configuration, and Testing
 - d. Gap Analysis and System Functional Design Development
 - e. System Process and Document Re-engineering
 - f. Custom Software Requirements Definition, Programming, and Testing

- g. System Interface Requirements Definition, Programming, and Testing
 - h. User Manual and Training Documentation Development
 - i. User Training
 - j. Pilot Implementation
 - k. Statewide Deployment
2. Implementation Timetable
- a. The Department of Accounting and General Services (DAGS) is in the process of reviewing alternatives to replace the previous Time and Attendance System.
 - 1) Past year Accomplishment – In conjunction with the Information and Communication Services Division, the program has been reviewing the capabilities of an existing leave accounting system to determine the amount of modifications needed to replace the previous Time and Attendance System.
 - 2) One Year – Plans are to modify the leave accounting system and pilot the system in one of the departments.
 - 3) Two Years – The program will be deploying the system statewide.
 - 4) Five Years – The system will be in the “maintenance” phase (see Objective/Policy #2 below).
 - b. The DAGS is planning to enhance or replace the current Financial Accounting and Management Information System (FAMIS).
 - 1) Past year Accomplishment – n/a
 - 2) One Year – n/a
 - 3) Two Years – Plans are to conduct a business case analysis to review different alternatives of enhancing or replacing FAMIS.
 - 4) Five Years – The enhancements to FAMIS or the new Accounting System to replace FAMIS should be in the implementation phase.

B. Objective/Policy #2 - Systems Maintenance

1. Required Actions – The following systems maintenance functions are required to maintain all Statewide accounting applications:
 - a. User Support
 - b. System Modification and Enhancement
 - c. System Analysis and Re-engineering
2. Implementation Timetable - User Support is performed on an on-going basis. System Modification and Enhancement, and System Analysis and Re-engineering are performed as required.

C. Objective/Policy #3 – Statewide Accounting Controls

1. Required Actions
 - a. Statewide Accounting Controls are required to ensure that the accounting policies and procedures of the State:
 - 1) Comply with the Generally Accepted Accounting Principles (GAAP) and pronouncements from GASB
 - 2) Include adequate accounting controls for all Statewide accounting applications
 - 3) Reflect management's expressed authorization with regard to the treatment of a given accounting event and processing of accounting transactions related to that event
 - b. The three areas of Statewide Accounting Controls are:
 - 1) Statewide Accounting Manual Revisions
 - 2) Other User Manual Revisions
 - 3) Forms Control
2. Implementation Timetable

- a. Plans are to update the policies, procedures, forms and reports in the Statewide Accounting Manuals.
 - 1) Past year Accomplishment – The Statewide Accounting Manuals were converted into PDF documents and placed on the DAGS web site for easy access. The Statewide Accounting Manuals were also converted into Microsoft Word to facilitate revisions.
 - 2) One Year – Plans are to work with the various departments and agencies in obtaining the necessary information to update the policies, procedures, forms and reports in the Statewide Accounting Manuals, and complete the updates by the end of the year.
- b. Plans are to create more State Accounting Forms in PDF fillable format and place them on the DAGS web site for departments to download and use.
 - 1) Past year Accomplishment – The majority of the State Accounting Forms were created in PDF fillable format and placed on the DAGS web site, which can now be used in place of preprinted forms.
 - 2) One Year – The remaining State Accounting Forms that can be created in PDF fillable format should be completed by the end of the year.

IV. Performance Measures

- A. Customer Satisfaction measure – Key departments are involved with the development of new systems to provide input into the design and functionality of the new systems. Departments are also contacted periodically to inquire on needs and changes that would impact them.
- B. Program Standard measure – Due to the difference in the scope and complexity of each Systems Development and Implementation project, Systems Maintenance project, or Statewide Accounting Controls activity, the amount of time and resources needed to complete each project or activity will differ. As such, the measures used by the program are based on past experience of what can reasonably be accomplished for the given timeframe.
- C. Cost Effectiveness measure – Cost effectiveness is measured by the variance in amounts budgeted vs. actual expenditures.